

AUGUST 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>August 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$138,469,649	\$274,429,093
Percent Change	(14.2%)	(10.6%)
Corporate Income Tax		
Net Collections	\$10,113,682	\$26,344,428
Percent Change	(16.9%)	7.6%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$243,515,739	\$501,411,748
Change	2.6%	0.9%
Total Big Three Tax Types		
Net Collections	\$392,099,070	\$802,185,269
Percent Change	(4.6%)	(3.2%)

TAX FACTS

August 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	August 2002	August 2001	% Change
Gross Collections	\$11,039,878	\$14,341,239	(23.0)
Withholding	180,450,199	201,423,533	(10.4)
Refunds	(17,140,507)	(19,291,600)	(11.2)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$138,469,649	\$161,316,791	(14.2)
	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$20,824,304	\$24,075,498	(13.5)
Withholding	366,547,555	390,406,379	(6.1)
Refunds	(41,182,924)	(37,092,189)	11.0
Urban Revenue Sharing	(71,759,842)	(70,312,762)	2.1
Net Collections	\$274,429,093	\$307,076,926	(10.6)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$141,925 in tax liability, refunds for this credit totaled \$374,831. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	36,818	1,418,521	67,805	101,920	6	37,772	284,485	14,823	199,597	2,525	34	2,164,306
%	1.7	65.5	3.1	4.7	0.0	1.7	13.1	0.7	9.2	0.1	0.0	

The 2,164,306 returns, representing current and prior tax years, filed through August 2002 represents an increase of 2.4% over the 2,113,331 returns filed during the same period of time in 2001. There were 2,077,798 returns filed for 2001 tax year in 2002, a 1.6% increase over current year filings in August 2001 for tax year 2000.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between years is possible by using data from taxpayers that filed for both years and maintained the same filing status. During 2002, the Department of Revenue received 1,468,080 returns that satisfied this requirement. These filers experienced a 2.1% decrease in FAGI and a 8.3% decrease in tax liability. Specifically, 42.3% had a decrease in tax liability; with an average decrease of 44.2% and a corresponding average decrease in FAGI of 25.5%. Filers with an increase in tax liability totaled 689,462 or 47.0%, with an average FAGI increase of 26.6% and an average tax liability increase of 46.8%.

Average Individual Income Tax Refund

	Average	Number
2002 CYTD	\$571.59	1,491,011
2001 CYTD	\$632.54	1,321,495
% Change	(9.6%)	12.8%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 227,980 "new" returns have been filed thus far in 2002, representing approximately 276,807 persons, not including dependents. The average Federal Adjusted Gross Income for these 227,980 returns is \$19,366, with an average tax liability of \$309. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.3% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.4% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. An additional \$63.8 million in estimated payments came from 1999 tax returns that applied their refunds as a 2000 estimated payment, for an average of \$1,744. Estimated payments received through August 2002 for tax year 2001 were as follows:

08/02	140ES payment	176,102	Cumulative	\$336,384,157
08/01	140ES payment	1,971	Cumulative	\$366,218,897
	Percent change	N/A		(8.1%)
08/02	Average payment	(\$4,634)	Cumulative	\$1,478
08/01	Average payment	\$141	Cumulative	\$1,619
	Percent change	N/A		(8.7%)
08/02	Applied refund	\$32,830	Cumulative	\$67,311,497
08/01	Applied refund	\$124,535	Cumulative	\$63,554,043
	Percent change	(73.6%)		5.9%
Total 08/02		\$208,932	Cumulative	\$403,695,654
Total 08/01		\$126,506	Cumulative	\$429,772,940
	Percent change	65.2%		(6.1%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2001, which shows a growth rate of 3.5% in withholding payments over the third quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2001	5.1%	1 st Quarter 2002	(3.2%)
4 th Quarter 2001	(0.3%)	2 nd Quarter 2002	(2.1%)
		3 rd Quarter 2002	(4.9%)

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	15,072	\$4,972,792	\$329.94
Calendar Year 2001	14,483	\$4,615,810	\$318.71
% Change	4.1%	7.7%	3.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2001:

	August 2002	Calendar Year Total
Check Off	\$31,824	\$3,159,342
Voluntary Donation	\$370	\$50,082
Number of Returns	4,126	435,793

Contributions on the Individual Income Tax Return

Through August 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,524	\$175,298	\$16.66
Child Abuse	12,078	\$206,266	\$17.08
Special Olympics	5,372	\$79,948	\$14.88
Neighbors Helping	3,289	\$39,512	\$12.01
AID to Education	488	\$35,327	\$72.39
Domestic Violence Shelter	8,426	\$143,243	\$17.13
Democratic Party	728	\$15,064	\$20.69
Republican Party	557	\$13,424	\$24.10
Libertarian Party	98	\$2,073	\$21.15
Reform Party	9	\$92	\$10.22
Green Party	163	\$2,528	\$15.51
Natural Law	11	\$180	\$16.36

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	August 2002	August 2001	% Change
Gross Collections	\$17,612,203	\$15,378,655	14.5%
Refunds	(\$7,498,520)	(\$3,209,395)	133.6%
Net Collections	\$10,113,682	\$12,169,260	(16.9%)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$44,273,976	\$38,416,809	15.2%
Refunds	(\$17,929,548)	(\$13,925,740)	28.8%
Net Collections	\$26,344,428	\$24,491,069	7.6%

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

August 2002	\$9,226,558	Calendar Year Total	\$193,398,199
August 2001	<u>\$6,867,566</u>	Calendar Year Total	<u>\$222,367,928</u>
% Change	34.3%	% Change	(13.0%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for August 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
August 2002	61	9	7	3	2	0	82	(18.0%)
August 2001	89	2	6	2	1	0	100	
CY 2002	1,572	181	185	42	24	0	2,004	(11.6%)
CY 2001	1,782	195	222	40	28	0	2,267	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	15.4%	27.7%	10.0%	39.7%	7.3%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

August 2002	\$7,595,597	Calendar Year Total	\$62,890,421
August 2001	<u>\$5,192,773</u>	Calendar Year Total	<u>\$32,328,431</u>
% Change	46.3%	% Change	94.5%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through August 2002, 74,519 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	189	26,104	38,889	256	9,081
%	0.3	35.0	52.2	0.3	12.2

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through August 2001, the Arizona Department of Revenue received 76,952 documents with a fiscal year-end of 2000. Compared to 2001 documents, this represents a 3.2% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for August 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	August 2002	August 2001	% change
Distribution Base	\$97,705,649	\$96,496,032	1.3
Non shared	193,777,112	189,954,508	2.0
Use Tax	16,039,948	14,170,245	13.2
Education Tax	36,490,353	35,085,744	4.0
Other Revenues	41,854,515	40,590,819	3.1
Total Collections	\$385,867,577	\$376,297,349	2.5

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$205,514,814	\$203,337,923	1.1
Non shared	400,971,033	396,541,748	1.1
Use Tax	29,558,656	30,091,392	(1.8)
Education Tax	73,124,786	71,081,999	2.9
Other Revenues	84,893,479	82,934,815	2.4
Total Collections	\$794,062,768	\$783,987,876	1.3

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

August 2002	August 2001	% change
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Retained by State	\$243,515,739	\$237,406,224	2.6
Returned to Counties	39,580,558	39,090,550	1.3
Returned to Cities	24,426,412	24,124,012	1.3
Education Tax	36,490,353	35,085,744	4.0
Other	41,854,514	40,590,819	3.1
Total Collections	\$385,867,577	\$376,297,349	2.5

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$501,411,748	\$496,729,716	0.9
Returned to Counties	83,254,051	82,393,636	1.0
Returned to Cities	51,378,704	50,847,712	1.0
Education Tax	73,124,786	71,081,999	2.9
Other	84,893,479	82,934,815	2.4
Total Collections	\$794,062,768	\$783,987,876	1.3

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	August 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$216,968	(36.1)	\$482,479	(22.0)
Non-Metal Mining/Oil & Gas	3.125%	626,012	8.6	1,326,490	9.0
Utilities	5.6%	32,340,585	7.8	59,986,020	3.3
Communications	5.6%	12,060,650	5.0	26,297,052	13.3
Railroads/Aircraft	5.6%	3,408	(98.2)	(2,213,614)	N/A
Private Car/Pipelines	5.6%	42,763	96.0	92,022	34.3
Publishing	5.6%	672,986	20.5	1,201,078	5.1
Printing	5.6%	2,973,988	122.3	6,410,077	117.5
Restaurants/Bars	5.6%	23,843,182	0.1	51,302,636	2.5
Amusements	5.6%	2,731,091	(11.8)	5,937,617	(2.9)
Commercial Lease	0%	8,818	(48.3)	(25,928)	N/A
Rental of Personal Property	5.6%	13,201,791	(3.9)	27,768,941	(8.7)
Contracting	3.75% - 5.6%	48,630,882	(0.5)	98,872,100	(3.7)
Feed Wholesale	Repealed	79	(30.6)	79	(33.5)
Retail	5.6%	148,300,010	1.1	315,799,557	2.1
Mining Severance	2.5%	83,137	N/A	214,779	102.4
Timber Severance	\$2.13/\$1.51 per 1000 board ft	116	N/A	116	(99.0)
Hotel/Motel	5.5%	5,301,717	0.3	11,990,146	(5.0)
Membership Camping	5.6%	7,377	47.1	10,226	(25.2)
Use/Use Inventory	5.6%	16,039,948	13.2	29,558,656	(1.8)
Rental Occupancy Tax	3.0%	9,261	(34.3)	16,742	(30.1)
Jet Fuel Tax	\$.0305/\$.0105 gal	406,047	21.6	968,950	30.1
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	506,725	(5.4)	1,016,997	(6.5)
Poison Control Fund	----	187,419	(5.4)	376,149	(6.5)
911 Wireline/Excise	\$0.37 monthly per activated service	1,132,819	(2.1)	2,364,276	12.4
911 Wireless Service	\$0.37 monthly per activated service	761,299	(0.6)	1,437,011	53.2
Total		\$310,089,078	2.3	641,190,651	1.1

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

	August 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,339,352	(22.0)	\$9,649,579	(36.1)
Non-Metal Mining/Oil & Gas	20,032,380	9.0	42,447,674	8.6
Utilities	646,811,697	3.3	1,199,720,401	7.8
Communications	241,212,996	13.3	525,941,039	5.0
Railroads/Aircraft	68,167	N/A	(44,272,280)	N/A
Private Car/Pipelines	855,265	34.3	1,840,433	96.0
Publishing	13,459,730	5.1	24,021,557	20.5
Printing	59,479,755	117.5	128,201,538	122.3
Restaurants/Bars	476,863,643	2.5	1,026,052,726	0.1
Amusements	54,621,818	(2.9)	118,752,341	(11.8)
Commercial Lease	501,940	(145.7)	(3,135,264)	N/A
Rental of Personal Property	264,035,826	(8.7)	555,378,818	(3.9)
Contracting	972,617,643	(3.7)	1,977,441,991	(0.5)
Feed Wholesale	16,755	(33.5)	16,753	(30.6)
Retail	2,966,000,196	2.1	6,315,991,137	1.1
Mining Severance	3,325,483	102.4	8,591,148	102.4
Timber Severance	77	N/A	77	N/A
Hotel/Motel	96,394,857	(5.0)	218,002,655	0.3
Membership Camping	147,548	(25.2)	204,516	47.1
Use/Use Inventory	319,924,440	(1.7)	589,645,461	13.1
Rental Occupancy Tax	308,689	(30.1)	558,050	(34.3)
Agriculture Equipment	0	N/A	0	N/A
Total	\$6,141,018,181	0.9	\$12,695,050,273	2.3

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In August 2002, 14,746,673 gallons of jet fuel were taxed, a 5.4% decrease from the 15,585,172 reported for August 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in August 2002 was \$1,395,873 a 4.4% increase from the \$1,337,343 claimed in August 2001. Accounting credits claimed-to-date in FY 02/03 equals \$2,844,231 a 2.3% increase from the \$2,780,147 claimed during the same period in FY 01/02.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>August 2002</u>	<u>August 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$210,460,764	\$190,993,205	10.2
5311-5399	general merchandise stores	229,542,529	269,176,444	(14.7)
5411-5499	food stores (no food sales)	242,459,152	229,764,584	5.5
5511-5521	motor vehicle dealers	638,426,290	605,772,903	5.4
5531-5599	misc. automotive, motorcycle & boat stores	163,028,061	151,994,858	7.3
5611-5699	apparel & accessory stores	166,698,965	161,210,852	3.4
5712-5733	furniture, home furnishings & equipment stores	152,789,202	150,397,034	1.6
5912-5949	misc. retail stores	176,483,903	182,417,619	(3.3)
TOTAL		\$2,966,000,196	\$2,934,726,556	1.1

<u>SIC Code Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$411,869,737	\$373,710,957	10.2
5311-5399	general merchandise stores	490,006,588	564,548,873	(13.2)
5411-5499	food stores (no food sales)	503,052,324	463,821,331	8.5
5511-5521	motor vehicle dealers	1,234,550,823	1,227,423,076	0.6
5531-5599	misc. automotive, motorcycle & boat stores	338,969,383	354,026,556	(4.3)
5611-5699	apparel & accessory stores	385,274,427	359,484,599	7.2
5712-5733	furniture, home furnishings & equipment stores	322,599,516	312,856,727	3.1
5912-5949	misc. retail stores	380,293,276	385,067,844	(1.2)
TOTAL		\$6,315,991,137	\$6,186,880,855	2.1

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for August 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$267,571	\$309,298	0.8	\$647,771	2.5
Cochise	1,551,181	738,143	1.9	1,498,094	1.2
Coconino	3,098,512	1,184,904	3.0	2,547,893	1.4
Gila	705,412	327,468	0.8	680,973	(2.2)
Graham	351,859	192,550	0.5	393,734	(0.7)
Greenlee	228,422	148,409	0.4	313,991	(12.6)
La Paz	251,460	121,978	0.3	247,964	6.3
Maricopa	65,501,501	25,345,715	64.0	53,222,012	0.7
Mohave	2,583,457	1,077,121	2.7	2,263,035	4.2
Navajo	1,617,954	675,972	1.7	1,371,017	(1.4)
Pima	14,287,430	5,906,341	14.9	12,603,033	1.5
Pinal	1,832,906	1,022,588	2.6	2,136,626	4.2
Santa Cruz	567,075	252,552	0.6	530,402	0.3
Yavapai	3,006,339	1,323,714	3.3	2,768,066	1.2
Yuma	1,854,571	953,805	2.4	2,029,439	4.4
Total	\$97,705,649	\$39,580,558		\$83,254,051	1.0

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for August 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during August 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$94,187							
Cochise		\$462,542							
Coconino		\$863,028	\$517,524						
Gila	\$229,252	\$224,818							
Graham		\$97,223							
Greenlee		\$52,711							
La Paz		\$72,269	\$72,268						
Maricopa	\$21,709,366		\$7,933,865	\$298,933	\$20,535				\$1,055,723
Mohave		\$396,656							
Navajo		\$457,162							
Pima				\$110,048		\$5,105			
Pinal	\$617,446	\$603,262							
Santa Cruz		\$167,286							
Yavapai		\$899,457	\$356,619						
Yuma		\$562,767	\$562,626					\$561,752	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in August 2002. The table compares the receipts to August 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<u>August 2002</u>	<u>August 2001</u>	<u>% Change</u>
Spirituous	\$1,505,029	\$1,349,165	11.6
Vinous	520,230	450,437	15.5
Malt	1,947,872	1,467,391	32.7
Cigarette	11,728,230	12,685,015	(7.5)
Other Tobacco	314,125	262,375	19.7
Tobacco Licenses	400	200	100.0
Total	\$16,015,886	\$16,214,583	(1.2)

	<u>Fiscal Year Total (02/03)</u>	<u>Fiscal Year Total (01/02)</u>	<u>% Change</u>
Spirituous	\$3,061,466	\$3,066,925	(0.2)
Vinous	1,172,973	1,082,517	8.4
Malt	3,720,086	3,317,205	12.2
Cigarette*	24,088,671	25,299,582	(4.8)
Other Tobacco	598,308	682,820	(12.4)
Tobacco Licenses	1,300	1,050	23.8
Total	\$32,642,804	\$33,056,299	(1.3)

*Through August 2002, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	<u>August 2002</u>	<u>FY (02/03)</u>
Spirituous	\$1,053,520	\$2,143,026
Vinous	129,684	292,414
Malt	486,968	930,021
Cigarette	3,251,130	6,720,605
Other Tobacco	48,689	92,738
Tobacco Licenses	400	1,300
Total	\$4,970,391	\$10,180,104

Other dedicated revenues from luxury taxes:

	<u>August 2002</u>	<u>FY (02/03)</u>
Correction Fund revenues	\$1,989,389	\$3,989,976
Health Care Fund revenues	8,287,455	16,940,824
Wine Promotional Fund revenues	1,496	3,317
Drug Treatment & Education Fund revenues	549,341	1,094,456
Corrections Revolving Fund revenues	217,813	434,126

Estate Tax

	August 2002	\$5,343,508	Fiscal year To Date	\$10,968,417
	August 2001	<u>\$9,660,126</u>	Fiscal year To Date	<u>\$13,610,709</u>
% Change		(44.7%)	% Change	(19.4%)

Private Car

	August 2002	\$0	Fiscal year To Date	\$0
	August 2001	<u>\$0</u>	Fiscal year To Date	<u>\$0</u>
% Change		N/A	% Change	N/A

Bingo

	August 2002	\$36,095	Fiscal year To Date	\$109,573
	August 2001	<u>\$46,702</u>	Fiscal year To Date	<u>\$120,383</u>
% Change		(22.7%)	% Change	(9.0%)

Unclaimed Property

	August 2002	(\$21,129)	Fiscal year To Date	\$889,397
	August 2001	<u>\$378,513</u>	Fiscal year To Date	<u>\$839,146</u>
% Change		N/A	% Change	6.0%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through August 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,692	0.7%	-\$16,203	\$5	20.0%	72.2%	5.1%	2.7%	14.7%	11.9%
\$0-\$5,000	49,620	21.8%	\$2,737	\$0	4.2%	83.9%	10.9%	1.0%	3.9%	15.7%
\$5,000-\$10,000	48,846	21.4%	\$7,389	\$24	8.4%	69.8%	20.4%	1.4%	6.8%	28.4%
\$10,000-\$15,000	34,655	15.2%	\$12,356	\$86	15.9%	53.3%	28.9%	2.0%	9.4%	40.8%
\$15,000-\$20,000	25,460	11.2%	\$17,349	\$161	22.3%	45.0%	29.9%	2.7%	9.7%	45.1%
\$20,000-\$25,000	17,047	7.5%	\$22,338	\$262	27.2%	40.1%	29.3%	3.4%	7.8%	48.7%
\$25,000-\$30,000	11,578	5.1%	\$27,337	\$398	30.1%	40.8%	24.8%	4.4%	7.7%	45.4%
\$30,000-\$40,000	14,121	6.2%	\$34,529	\$570	37.3%	38.1%	20.4%	4.2%	8.6%	44.1%
\$40,000-\$50,000	8,185	3.6%	\$44,593	\$803	47.4%	33.4%	15.7%	3.5%	11.0%	43.8%
\$50,000-\$75,000	9,982	4.4%	\$60,226	\$1,178	61.9%	25.8%	9.9%	2.4%	13.4%	45.4%
\$75,000-\$100,000	3,500	1.5%	\$85,408	\$1,875	71.0%	20.4%	6.6%	2.1%	15.2%	44.4%
\$100,000-\$200,000	2,720	1.2%	\$130,377	\$3,387	73.2%	19.7%	5.5%	1.6%	17.2%	40.5%
\$200,000-\$500,000	477	0.2%	\$284,723	\$9,888	72.0%	20.7%	5.6%	1.7%	20.5%	37.2%
\$500,000-\$1,000,000	59	0.0%	\$667,110	\$27,377	58.3%	30.0%	8.3%	3.3%	25.0%	21.7%
\$1,000,000 and over	38	0.0%	\$2,525,526	\$122,946	57.1%	23.8%	11.9%	7.1%	23.8%	28.6%
Total	227,980		\$19,366	\$309	20.3%	57.2%	20.4%	2.2%	7.9%	34.4%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
August 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,137	202,705
Eagar	\$35,776	4,033	Surprise	273,644	30,848
Springerville	17,493	1,972	Tempe	1,407,008	158,625
St. Johns	28,998	3,269	Tolleson	44,123	4,974
<u>Cochise County</u>			Wickenburg	45,081	5,082
Benson	41,790	4,711	Youngtown	26,701	3,010
Bisbee	54,023	6,090	<u>Mohave County</u>		
Douglas	126,958	14,312	Bullhead City	299,555	33,769
Huachuca City	15,533	1,751	Colorado City	29,575	3,334
Sierra Vista	335,091	37,775	Kingman	178,026	20,069
Tombstone	13,342	1,504	Lake Havasu City	372,020	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,207	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,260	7,695
Page	60,401	6,809	Snowflake	39,564	4,460
Williams	25,211	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,449	9,520
Globe	66,406	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,251	13,556
Miami	17,174	1,936	Oro Valley	263,460	29,700
Payson	120,819	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,364	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,894	9,232	Apache Junction	282,213	31,814
Thatcher	35,678	4,022	Casa Grande	223,755	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,034	10,375
Duncan	7,203	812	Florence	128,146	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,308	35,883	Nogales	185,203	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,965	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,837	9,451
Chandler	1,566,398	176,581	Chino Valley	69,502	7,835
El Mirage	67,497	7,609	Clarkdale	30,356	3,422
Fountain Hills	179,499	20,235	Cottonwood	81,424	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,090	109,697	Prescott	301,054	33,938
Glendale	1,941,017	218,812	Prescott Valley	208,772	23,535
Goodyear	167,754	18,911	Sedona	90,410	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,917	15,322
Mesa	3,516,127	396,375	Somerton	64,455	7,266
Paradise Valley	121,109	13,664	Wellton	16,225	1,829
Peoria	961,265	108,364	Yuma	687,613	77,515
Phoenix	11,718,603	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,788

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
August 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,224,126	202,705
Eagar	\$24,355	4,033	Surprise	186,290	30,848
Springerville	11,909	1,972	Tempe	957,929	158,625
St. Johns	19,741	3,269	Tolleson	30,038	4,974
<u>Cochise County</u>			Wickenburg	30,690	5,082
Benson	28,450	4,711	Youngtown	18,177	3,010
Bisbee	36,777	6,090	<u>Mohave County</u>		
Douglas	86,430	14,312	Bullhead City	203,929	33,769
Huachuca City	10,574	1,751	Colorado City	20,134	3,334
Sierra Vista	228,122	37,775	Kingman	121,196	20,069
Tombstone	9,083	1,504	Lake Havasu City	253,262	41,938
Willcox	22,543	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	29,694	4,917
Flagstaff	319,424	52,894	Pinetop/Lakeside	21,632	3,582
Fredonia	6,256	1,036	Show Low	46,470	7,695
Page	41,119	6,809	Snowflake	26,934	4,460
Williams	17,163	2,842	Taylor	19,180	3,176
<u>Gila County</u>			Winslow	57,491	9,520
Globe	45,208	7,486	<u>Pima County</u>		
Hayden	5,387	892	Marana	81,864	13,556
Miami	11,691	1,936	Oro Valley	179,357	29,700
Payson	82,251	13,620	Sahuarita	19,578	3,242
Winkelman	2,675	443	South Tucson	33,154	5,490
<u>Graham County</u>			Tucson	2,939,153	486,699
Pima	12,011	1,989	<u>Pinal County</u>		
Safford	55,752	9,232	Apache Junction	192,123	31,814
Thatcher	24,289	4,022	Casa Grande	152,327	25,224
<u>Greenlee County</u>			Coolidge	47,019	7,786
Clifton	15,677	2,596	Eloy	62,654	10,375
Duncan	4,904	812	Florence	87,360	14,446
<u>La Paz County</u>			Kearny	13,582	2,249
Parker	18,962	3,140	Mammoth	10,641	1,762
Quartzsite	20,255	3,354	Superior	19,651	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	216,696	35,883	Nogales	126,081	20,878
Buckeye	51,313	8,497	Patagonia	5,320	881
Carefree	17,676	2,927	<u>Yavapai County</u>		
Cave Creek	22,513	3,728	Camp Verde	57,074	9,451
Chandler	1,066,365	176,581	Chino Valley	47,315	7,835
El Mirage	45,950	7,609	Clarkdale	20,665	3,422
Fountain Hills	122,198	20,235	Cottonwood	55,432	9,179
Gila Bend	11,957	1,980	Jerome	1,987	329
Gilbert	662,455	109,697	Prescott	204,950	33,938
Glendale	1,321,396	218,812	Prescott Valley	142,127	23,535
Goodyear	114,203	18,911	Sedona	61,549	10,192
Guadalupe	31,572	5,228	<u>Yuma County</u>		
Litchfield Park	23,008	3,810	San Luis	92,529	15,322
Mesa	2,393,691	396,375	Somerton	43,879	7,266
Paradise Valley	82,516	13,664	Wellton	11,045	1,829
Peoria	654,405	108,364	Yuma	468,110	77,515
Phoenix	7,977,731	1,321,045	TOTAL	\$24,426,412	4,044,808
Queen Creek	26,064	4,316			

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